NCA
VOC FOR PGM/FN
BACKGROUNDER NO. 5-5909 JUNE 13, 1978
BUI TUAN

U.S. FOOD AID TO LAOS

ANNCR:

PRESIDENT CARTER HAS APPROVED FIVE MILLION DOLLARS IN EMERGENCY U.S. FOOD AID TO LAOS....AS WE HEAR IN THIS BACKGROUND REPORT BY VOA'S BUI TUAN.

VOICE:

THE NEW U.S. AID TO LAOS WILL PROVIDE ABOUT TEN THOUSAND TONS OF RICE UNDER THE SO-CALLED "FOOD FOR PEACE" PROGRAM. IT'S DESIGNED TO PREVENT SEVERE MALNUTRITION AND POTENTIAL WIDESPREAD STARVATION IN LAO RESULTING FROM A SUCCESSION OF POOR CROPS.

THE LAO GOVERNMENT ORIGINALLY PUT THE GRAIN DEFICIT AT SOME 370,000 METRIC TONS. BUT THIS ESTIMATE WAS LATER REVISED DOWNWARD IN A REPORT PREPARED JOINTLY BY THE LAO MINISTRY OF AGRICULTURE AND THE UNITED NATIONS DEVELOPMENT PROGRAM. THAT REPORT PUTS THE GRAIN SHORTAGE AT ABOUT 113,000 TONS. LAOS HAS ALREADY RECEIVED 80,000 TONS OF GRAIN FROM THE WORLD FOOD PROGRAM AND SEVERAL COUNTRIES, INCLUDING SWEDEN, HOLLAND, INDIA, AUSTRALIA, BURMA, THAILAND, THE SOVIET UNION AND OTHER EAST EUROPEAN COUNTRIES. BUT FOOD EXPERTS SAY AN ADDITIONAL 30,000 TONS ARE NEEDED TO MEET THE COUNTRY'S FOOD REQUIREMENTS BEFORE THE MAIN HARVEST THIS FALL.

THE FOOD SITUATION IN LAOS -- ALREADY ACUTE BECAUSE OF VERY POOR FARMING TECHNIQUES -- HAS CONSIDERABLY WORSENED IN THE FACE OF DROUGHTS AND THE RIGORS OF THE AGRICULTURAL COLLECTIVIZATION PROGRAM. STILL, OBSERVERS SAY THAT IT WOULD NOT BE DIFFICULT FOR LAOS TO ACHIEVE SELF-SUFFICIENCY IF THE MINIMUM REQUIREMENTS OF IRRIGATION AND FERTILIZERS ARE MET.

IN ADDITION TO FOOD AID, LAOS IS RECEIVING FUNDS AND TECHNICAL ASSISTANCE FROM THE WEST TO DEVELOP ITS AGRICULTURE. AN EIGHT MILLION DOLLAR LOAN FROM THE WORLD BANK -- THE FIRST SINCE THE COMMUNISTS CAME TO POWER IN LAOS -- WILL BE USED TO FINANCE SMALL-SCALE IRRIGATION PROJECTS IN THE VIENTIAN PLAIN AND TO PROMOTE LIVESTOCK BREEDING. IN ADDITION, SWEDEN HAS AGREED TO ASSIST LAOS IN IRRIGATION PROJECTS AND ROAD CONSTRUCTION. AND THE U.N. FOOD AND AGRICULTURE ORGANIZATION HAS PROMISED TO PROVIDE LAOS WITH 200 TONS OF HIGH-GRADE RICE SEED.

MEANWHILE, WASHINGTON HAS INFORMED THE VIETIANE GOVERNMENT THAT THE UNITED STATES WILL CONSIDER ADDITIONAL FOOD AID IF IT IS CLEARLY NEEDED AND IF U.S. RELATIONS WITH LAOS REMAIN SATISFACTORY.

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